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MEMORANDUM FOR: FYI



S-18 Deputy Chief CI/OPS

GS-17 Operations Officer

GS-16 Operations Officer

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CIA-Proxmire a256 Lead

BY DAVID C. Martin

And

Michael J. Sniffen

Associated Press Writers

WASHINGTON AP - Three more top officials have resigned from the Central Intelligence Agency's counterintelligence division, which has been named in published reports as conducting domestic spying.

Their resignations combined with that of James J. Angleton, chief of CIA's counterintelligence division, removes the entire top command of the division.

The men resigning are: Raymond Rocca, 57, Angleton's deputy; William J. Hoel, 54, and Newton S. Miller, chief of operations.

All three men confirmed they were resigning, but insisted they were doing so to take advantage of extra retirement benefits available to persons who leave the government before the end of the year.

The agency's mandatory retirement age is 65, though it urges its personnel to leave at age 60.

Several sources said the resignations stemmed from three factors other than retirement benefits.

One source said allegations of domestic spying played a role in the resignations.

Several sources said the counterintelligence division had two major policy disagreements with CIA Director William E. Colby and higher policy officials.

The disagreements were said to be over interpretation of events and intentions in the Soviet bloc and over Colby's policy of making the agency more open. The men in counterintelligence were more suspicious of Russian moves toward detente than their superiors and felt Colby's openness had damaged the agency.

According to one source, the counterintelligence staff was particularly upset when Colby debated Daniel Ellsberg, who leaked the Pentagon Papers, at a panel sponsored by a private group critical of the CIA.

Angleton's resignation was requested by Colby 10 days ago. Angleton has denied that his operation conducted any illegal domestic intelligence gathering.

Sen. William Proxmire called Sunday for the creation of an independent special prosecutor's office to prosecute any illegal actions by CIA agents. He also said there should be a special congressional committee to oversee all CIA activities.

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CIA 12-30

DAY LD

BY JOHN MILNE

WASHINGTON (UPI) -- SEN. WILLIAM PROXMIRE, D-WIS., WANTS A WATERGATE-TYPE SPECIAL PROSECUTOR TO INVESTIGATE REPORTS THE CENTRAL INTELLIGENCE AGENCY HAS ILLEGALLY SPIED ON AMERICANS AT HOME.

"WE MUST ACT TO ESTABLISH AN INDEPENDENT SPECIAL PROSECUTOR WITH SUBPOENA POWERS WHO WILL PROSECUTE EVERY ILLEGAL ACTION BY CIA AGENTS, PAST OR PRESENT," PROXMIRE SAID IN A BROADCAST INTERVIEW SUNDAY ON ABC'S "ISSUES AND ANSWERS."

PROXMIRE SAID HE HAD CONFIRMED REPORTS OF DOMESTIC SPYING PUBLISHED LAST WEEK. "THE STORIES AND ALLEGATIONS IN THE NEW YORK TIMES ABOUT THE FILES OF 10,000 NAMES OF PEOPLE WHO HAD BEEN UNDER INVESTIGATION BY THE CIA, ABOUT THE SURVEILLANCES, ABOUT THE BREAKIN AND ENTERING AND ABOUT WIRETAPS ... ARE ACCURATE AND CORRECT," HE SAID.

THIS WAS ONE OF A SERIES OF REPORTS THAT SEEMED TO CONFIRM FEARS OF RADICALS AND DISSIDENTS OF THE 1960'S:

-- THE NEW YORK TIMES REPORTED IN TODAY'S EDITIONS THAT THREE MORE HIGH-LEVEL OFFICIALS RESIGNED FROM THE CIA'S COUNTER-INTELLIGENCE DIVISION LAST WEEK AS PART OF A "MAJOR SHAKEUP." CIA SPOKESMAN ANGUS THUERNER DECLINED TO CONFIRM OR DENY THE REPORT, SAYING THE AGENCY HAD TURNED THE ENTIRE MATTER OVER TO PRESIDENT FORD AND ADOPTED A "NO COMMENT" POLICY.

-- JAMES ANGLETON, WHOM THE TIMES IDENTIFIED AS HEAD OF THE DOMESTIC SPY OPERATION, ANNOUNCED HIS RESIGNATION LAST WEEK. REPORTERS WHO CALLED ANGLETON'S HOME GOT RESPONSES THAT RANGED FROM DENIALS TO VAGUE CONFIRMATIONS.

-- THE TIMES SAID SUNDAY A FORMER CIA AGENT, OTHERWISE UNIDENTIFIED, INFILTRATED STUDENTS FOR A DEMOCRATIC SOCIETY AND OTHER RADICAL YOUTH GROUPS AFTER THE TAKEOVER OF BUILDINGS AT COLUMBIA UNIVERSITY IN 1968. CIA OFFICIALS, SAID THE TIMES, BELIEVED "THE KIDS WERE DIRECTLY INVOLVED WITH FOREIGN STUFF ... DRUGS FROM COMMUNIST CHINA, KGB (SOVIET INTELLIGENCE) AGENTS AND FOREIGN GUNS."

-- THE WHITE HOUSE SAID FORMER CIA DIRECTOR RICHARD HELMS CATEGORICALLY DENIED THE REPORTS, BUT HELMS, NOW AMBASSADOR TO IRAN, IS ON VACATION IN EUROPE. THERE WERE ENOUGH UNSUBSTANTIATED RUMORS THAT HELMS HAD GONE "UNDERGROUND" TO PROMPT SPOKESMAN RON NESSEN TO ANNOUNCE THAT THE STATE DEPARTMENT KNEW WHERE HELMS WAS AND THAT HE WOULD BE IN WASHINGTON LATE THIS WEEK.

-- TIME MAGAZINE REPORTED THAT SUPREME COURT JUSTICE WILLIAM O. DOUGLAS AND THREE CONGRESSMEN -- FORMER REP. CORNELIUS GALLAGHER, D-N.J., REP. CLAUDE PEPPER, D-FLA., AND FORMER SEN. EDWARD LONG, D-MO., WERE AMONG THE CIA'S TARGETS.

PEPPER SAID CIA DIRECTOR WILLIAM E. COLBY CALLED HIM SUNDAY TO SAY HE WAS "SORRY AND EMBARRASSED" ABOUT THE TIME STORY, THAT HE HAD ORDERED A CHECK OF CIA FILES AND, ACCORDING TO PEPPER, "HE SAID THERE WAS NOT A SINGLE MENTION OF MY NAME."

GALLAGHER, WHO RECENTLY FINISHED A PRISON SENTENCE FOR INCOME TAX FRAUD, SAID IN DAYVONNE, N.J., THE CIA'S REPORTED SURVEILLANCE "WAS AIMED AT STOPPING MY INVESTIGATION INTO PRIVACY AND TO DESTROY MY CREDIBILITY."

FORD HAS A 50-PAGE REPORT ON THE ORIGINAL TIMES STORY, PREPARED BY COLBY. NEWSWEEK MAGAZINE SAID THE DOCUMENT ACKNOWLEDGED THERE WAS "SOME" APPROVED FOR RELEASE 2005/12/23 : CIA-RDP83-01042R000300010058-6 SERIOUS AS HAD BEEN REPORTED.

The Washington Post
30 December 1974

***Not Involved in N.Y.,
Retired CIA Aide Says***

James Angleton, who was described in the initial New York Times allegations as director of CIA domestic activities, claimed that the new account in the Times yesterday shows he was not involved in such operations in the New York area.

Angleton retired as director of CIA's counterintelligence department after the charges were published. In a statement yesterday Angleton said, in part, "I do not desire to state anything further publicly in view of what I regard to be numerous distortions of a sensational nature."

However, he said he wished to note that New York Times reporter "Mr. Seymour Hersh in his current version of my role . . . now says through his still unnamed informant that I as chief of counterintelligence played no part in the New York situation he describes."

The Times' report yesterday said the unnamed agent it was quoting "reported that he did not have direct involvement in New York with members of the CIA's counterintelligence staff, which was headed until last week by James Angleton."

Proxmire Cites Own CIA Data

Says Sources Verify Charge Of U.S. Spying

Sen. William Proxmire (D-Wis.) said yesterday he has information that confirms that the Central Intelligence Agency spied on American citizens in this country, engaged in breaking and entering, and in wiretapping.

The charges that the CIA breached legal prohibitions intended to confine its operations to foreign intelligence, Proxmire said, "are accurate and correct" according to "very reliable people" who are his private sources.

Proxmire said in a television interview ("Issues and Answers" ABC, WMAL) that he independently verified to his satisfaction the allegations initially published by The New York Times on Dec. 22. He said his information confirms that CIA files contain names of 10,000 Americans who "had been under investigation by the CIA," that the agency engaged in domestic "surveillances," in "breaking and entering" and "wiretaps" of Americans.

"I think this is good information," said Proxmire. "What's outrageous about it is this is not part of CIA's responsibility or their legal authority. The CIA is responsible for foreign intelligence gathering, primarily."

When the initial charges were aired a week earlier, Proxmire called for the resignation of Richard M. Helms, who was CIA director from 1966 to 1973. This is the period when the alleged domestic spying took place, primarily among opponents of the war in Vietnam. Helms, presently ambassador to Iran, "categorically denied" last week that the CIA, when he headed it, "conducted illegal domestic operations against antiwar activists or dissidents or that any unit to do so was created" during his service as director.

In an additional report yesterday, The New York Times said a former CIA agent, not identified by name, said New York in the late 1960s was a center of spying on radical groups. Agents working for the CIA's Domestic Operations Division, the account said, infiltrated radical organizations and participated in break-ins and wiretapping The

See CIA, A12, Col. 1

Times' source said he received from the CIA "more than 40" psychological assessments of radical leaders to assist in surveillance of the targeted groups.

Other sources said yesterday that the CIA had at least two sections operating on the domestic scene: a Domestic Contact Service, until recently relatively "overt" by CIA standards, collecting foreign intelligence from businessmen, students and others traveling abroad, and the clandestine Domestic Operations Division. The latter network was originally established with offices in many cities to collect foreign intelligence inside the United States from emigre groups and other sources and to coordinate CIA "cover" organizations. It allegedly expanded into the activities now under challenge.

This may be the basis for Helms' contention that no unit "was created" for the purpose of spying on antiwar activists and his denial that the CIA "conducted illegal domestic operations" for that purpose. It is the standard CIA contention that nothing it does is illegal, on grounds that it acts only on the basis of authorizations by the President or the National Security Council, as permitted by its charter.

Proxmire said after his television appearance that he has verified "the guts" of the allegations against the CIA, with inadequate resources on his own staff to conduct a total investigation. He said he must keep his own sources confidential.

In his TV appearance, Proxmire called on Congress to establish "an independent prosecutor with subpoena powers" to establish the facts and "prosecute every illegal action by CIA agents past or present." He also called for a joint Senate-House committee to oversee the CIA effectively, and for a ban on all covert CIA operations, "the so-called paramilitary activity, the murders, the kidnappings, that kind of thing, to destabilize, overthrow governments."

Rep. Claude Pepper (D-Fla.) said in Miami yesterday that CIA Director William E. Colby assured him yesterday that there was no foundation to a Time magazine report that Pepper was spied on by the CIA.

That report said that Pepper, Supreme Court Justice William O. Douglas, former Rep. Cornelius Gallagher (D-N.J.) and the late Sen. Edward Long (D-Mo.) all came under CIA scrutiny.

Justice Douglas declined to make any comment yesterday.

Former Rep. Gallagher, who was released from prison last month after serving 17 months for income tax fraud, said he would not be surprised that he was the subject of CIA surveillance because he long attacked such activities by U.S. agencies. Gallagher said, "I am deeply saddened that the Congress was unable to do anything and my alarms went unheeded."

President Ford has said through his spokesman at Vail, Colo., where he is spending the holidays, that he will not make decisions on a 50-page report about the allegations concerning the CIA, submitted by Colby, until he meets with senior officials after his return to Washington on Thursday. The President is scheduled to confer with Colby, Secretary of State Henry A. Kissinger, Defense Secretary James R. Schlesinger, and others. Former CIA Director Helms is also expected in Washington at that time.